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A PRIMARY LESSON IN TRANSIT

ONE OF A SERIES OF TREATISES IN AN INTERSTATE
COMMERCE AND RAILWAY TRAFFIC COURSE

H. H. BERNSTEIN

Assistant Chief Inspector
Central Freight Association
Inspection and Weighing Bureau
Chicago, Illinois

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- Atlas of Railway Traffic Maps
- Traffic Glossary
- Freight Classification; Some Ways of Reducing Freight Charges
- Freight Rates: Western Territory; Bases for Freight Charges
- Freight Rates: Official Classification Territory and Eastern Canada; Industrial Traffic Department
- Freight Rates: Southern Territory
- Publication and Filing of Tariffs
- Freight Claims; Investigation of Freight Claims; Routing Freight Shipments; The Bill of Lading; A Primary Lesson in Transit; Demurrage
- Railway Organization; Statistics of Freight Traffic; Railway Accounting
- The Express Service and Rates
- Ocean Traffic and Trade
- Railway Regulation
- The Act to Regulate Commerce and Supplemental Acts
- Conference Rulings; Procedure Before the Interstate Commerce Commission; Grounds of Proof in Rate Cases
- Application of Agency Tariffs
- The Law of Carriers of Goods
- Practical Traffic Problems

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A PRIMARY LESSON IN TRANSIT

REASONS FOR TRANSIT PRIVILEGES

To many, the word "transit" conveys an idea of movement or transportation. Thus, when we speak of goods in transit, we have the idea that the goods are en route and that the transportation is continuous except when interrupted by the transfer of the shipments from one agency to another. In the transportation world, however, this term is generally recognized, when applied to specific commodities, as a suspension of the through movement while in the course of transportation, for the performing of some service not contemplated by an uninterrupted through movement of the commodity from its original point of shipment to its ultimate destination. An example is the stoppage of wheat en route to be ground into flour, after which it is transported to its final destination.

From the beginning and up to the present day, the tariffs of practically all of the carriers covering the subject refer to this service as a privilege, due to the fact that for more than twenty-five years the concession was one voluntarily accorded by the carriers. This holds good at the present time, with the exception of two or three instances, where the Interstate Commerce Commission, within the past two years, has ordered the carriers to establish transit privileges or continue those already in effect.

The designation "privilege" grew out of the fact that it was a departure from what could be considered as

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strictly a transportation matter. It was rather a commercial element, affecting the course of transportation. So far as record or memory can establish, the privilege had its birth in the milling of wheat into flour, and the cradle in which this ingenious industrial infant was nurtured and developed was the northwestern wheat territory, having Minneapolis as the centrifugal point of commercial and transportation interest.

By the granting or refusing of a privilege, which power is given to the traffic manager of a railroad company, an industry located at a certain point may be given the opportunity to increase its business or it may be compelled to "pull up stakes" for a venture into new fields. Which it is to be depends entirely upon whether or not the traffic manager representing the road on which it is located will arrange to place that point of location, so far as the scale of rates is concerned, on a parity with the more favorably situated point with which it has to compete.

Here is where the commercial aspect of transit privileges to which we refer, comes in. This is where the railroad man does not stop with selling transportation as he finds it on his road, but where he begins to stimulate the demand for the transportation service he has to sell by creating a combination carrier and commercial factor that will make it possible to bring about an increase.

This brings us to the closing remarks on the reasons for considering the arrangement a privilege. It is in the hands of the railroad to decide what particular industry or location is, in its opinion, justified in obtaining the concession. It is needless to add that, from our observation, the carrier's desire for increasing its tonnage and obtaining the maximum revenue for its haul will always cause the carrier to bestow the privilege where it has the best effect in that direction.

Now, we come directly to the point where you ask: What is the cause of this disparity as to location? What is the reason for this method toward an equalization? In other words, what is the necessity of these so-called transit privileges, and what is the fundamental principle on which they are based?

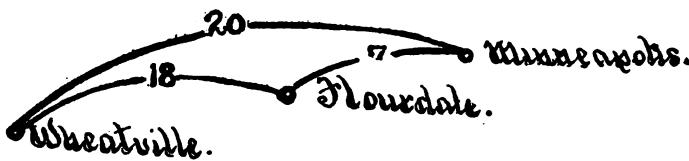
The basic principle of this privilege, which we will hereinafter refer to as transit, is, broadly and generally speaking, to place the industries located on the byways of transportation on an equal basis of rates with the industries more fortunately located on the highways, in everyday parlance; in other words, to place the interior or country station on an equal footing with the primary or terminal market, where rates begin, break, or end. That, briefly, is the general purpose of transit. (There are exceptions, which result in modifications and perversions of this principle, but they only emphasize the principle and therefore need not be brought out at this time.)

Whether it is the storage of apples or agricultural implements, the cleaning or sorting of beans or broom corn, the roasting of coffee, the compressing of cotton, the refining of cotton seed oil or bullion, the dressing or creosoting of lumber or ties, the fabricating of iron or steel, the elevation or general marketing of grain, the mixing of feed, or the milling and malting of grain, the one and same reason for transit applies alike to all. There is only the one legitimate excuse offered for its existence, and that is to equalize rate disparity.

HOW TRANSIT IS APPLIED

As one commodity will illustrate this feature as well as another, we will use the milling in transit of wheat for the purpose of this example.

Minneapolis, owing to its geographical location and natural advantage as to water power, early became a commercial and transportation center. Having the most powerful factors conducive to the development of any and all industry and being the gateway to the great wheat fields of the northwest, nothing seems more natural than that it should become a center for the marketing and milling of the great quantities of grain, principally wheat, grown in that section of the country. Many competitive roads lead to and from that center or primary market in all directions and, by all the laws of cause and effect, rates were made to and from that gateway. These rates established the level of through transportation charges from points of production in the West tributary to Minneapolis to points of consumption in the East. This level of rates, established by force of competitive and commercial conditions through such a large market center, cannot be remuneratively maintained with respect to interior local points, where the conditions are entirely dissimilar. The rates, however, though they may be on a higher basis than those applicable to the market centers, are reasonable and not unduly discriminatory in themselves.



To illustrate: The rate on flour from Wheatville to Minneapolis is 20 cents. The rate on wheat from Wheatville to Flourdale, an intermediate point to Minneapolis, is 18 cents; the rate on flour from Flourdale to Minneapolis is 7 cents. The rates from Wheatville to Flourdale and from Flourdale to Minneapolis being reasonable in themselves for the respective hauls, it would cost the

miller at Flourdale who buys his wheat at Wheatville 25 cents per 100 pounds to land his product in Minneapolis, as against 20 cents, the through rate the Minneapolis miller would have to pay from the same point of origin. The difference of 5 cents per 100 pounds in favor of the Minneapolis miller would make competition prohibitive. This difference is only illustrative. In actual commerce a difference of a fraction of 1 cent in the rates on grain or its products is competitively prohibitive.

You might say: Why can't this difference be adjusted by reducing the rate from Wheatville to Flourdale or from Flourdale to Minneapolis, so as to make the combination 20 cents instead of 25 cents? You must bear in mind the fact just stated, that both of these rates in themselves are reasonable. If grain moves from Wheatville to Flourdale and is there locally disposed of, which is likely, 18 cents is a reasonable rate to charge. If flour made from the wheat is locally shipped from Flourdale to Minneapolis, 7 cents is a reasonable charge. Therefore, the carriers cannot be and should not be required to reduce these rates. The changing of the established basis of rates to and from local points at any one given point or points might mean the breaking down of the entire fabric of rate alignment throughout a vast territory, without accomplishing any other result than the unwarranted reduction of the carrier's revenue or the disruption of an equitable rate situation.

Consequently, this brings the miller at the intermediate point, Flourdale, to the traffic manager of the railroad on which he is located. The miller does not ask that the carrier's basis of local rates be broken down, but explains that if some arrangement could be made whereby he would be able to enjoy the same through rate as the Minneapolis miller enjoys, he could compete with Minneapolis.

lis and increase his business and, incidentally, the tonnage of the railroad.

So it will be seen that the only way to apply a through rate or charge after local delivery has been taken at an intermediate point, without changing the measure of local rates, is to arrange to take the tonnage from Wheatville into account at Flourdale for the benefit of the through rate from Wheatville to Minneapolis, when the product is shipped to that point.

This results in placing the intermediate man at Flourdale on a parity, as to rates, with the man at Minneapolis. That market, however, may not afford an opportunity for the Flourdale miller to expand his business sufficiently and he demands to be placed on a rate parity with Minneapolis for eastern markets, such as Chicago, Buffalo, New York, Boston, etc. In order to make competition a possibility, a system of transit rules and regulations may be published and put into effect which, in so far as rates are concerned, will accord this interior miller the same through rate that would apply via Minneapolis, on which city the level of rates has been established.

To illustrate: The rate from Wheatville to Minneapolis is 20 cents and the rate from Minneapolis to Chicago 10 cents, making the through rate 30 cents. The combination of local rates for the miller at Flourdale is 18 cents from Wheatville to Flourdale and 15 cents from Flourdale to Chicago, or 3 cents in excess of the through rate from Wheatville to Chicago. For the reasons stated before, the only way to adjust this rate is by means of transit. Thus, it will be seen that the principal purpose of transit is to protect the interior or handicapped industry. What has been said as to the miller applies equally to other industries and commodities, each and every one having its own individual characteristics, depending entirely on the nature of the business and the transporta-

tion situation in connection therewith. No matter what the commodity is, where the industry is located, or what its relation to transportation is, the object of transit is the same: to apply the lower through rate in place of the higher combination of local rates to and from the transit point.

While this is the paramount reason for transit, it must not be understood as being the sole reason for which it is granted. One reason, from a carrier's standpoint, is to obtain the long haul to the final outlet of the raw material or the finished product, as in the case of wheat and flour. Another reason is that transit mutually benefits both the carrier and the shipper to move a comparatively perishable commodity, without an immediate or profitable outlet, to a market center for storage, thereby conserving the commodity to the producer and the revenue to the carrier. This results in an economic saving, not only to those directly interested, but relatively to the consumer as well.

These are a few of the legitimate reasons other than the fundamental one of protection for the so-called interior shipper. There are, however, other reasons which, in the broadest sense, justify transit. For example, transit is of economic value to the country at large when it brings about a proportionate reduction in the prices of commodities by giving the benefit of the through rate instead of the much higher combination of local rates to and from the stop-off, storage, or transit point, which higher combination rate would have to be paid were it not for the transit privilege.

Take grain for instance; this all-important food-stuff of the country must be most economically conserved from harvest to home. It must be rushed from the country to the most available market, there to be elevated for official weights in order that the country shipper may receive

pay for just the quantity he ships; it must then be graded for the most advantageous disposition; it may need to be cleaned or dried and put in condition for storage, thereby prepared to meet future needs at home or shipped at a moment's notice to all parts of the world. Immense storage elevators and warehouses must be maintained for this purpose. If it were not for these facilities at market centers like Chicago, Kansas City, Omaha, Minneapolis, etc., great quantities of grain would rot on the farms or deteriorate in small country warehouses for want of facilities to handle it properly or sufficient equipment to gather it from the thousands of country stations and move it *en masse* to the consuming territory in the East and to other countries demanding it.

The first principle of economy requires that all the grain the country shipper can offer be promptly taken to the market centers, there to be graded and stored. Without transit the local rate into and out of the storage point would have to be paid on all this enormous tonnage. This would result in an increase of at least 25 per cent in the rates, which would, of course, be added to the price of the grain and eventually to the price of food.

This general review of transit, though brief, should establish in your mind at least two things in connection therewith, viz., what it is and why it is used. The "how it is" can only be unfolded by going at length into the practical generalities and details of every angle of the commercial and transportation aspect of the particular commodity to be dealt with.

IMPORTANCE OF TARIFFS

The following general rule, which is as absolute and unerring for the uninitiated in traffic lore as it is for the

most expert traffic or legal mind, is a guiding factor in this "transitory realm":

See what the published tariff lawfully filed
With the State or Interstate Commission prescribes.

In that issue alone, transit has its birth and being. Under the law every person has free access to tariffs.

With these facts in mind, mental equation promptly suggests the following inquiries: What commodity am I interested in? What carriers are or might be concerned? What tariffs are in effect? What, if anything, do they provide?

It may develop that everything desired is already provided for, in which event nothing further than familiarity with the rules will be necessary. On the other hand, transit may be insufficiently provided for or not provided for at all. In the case of the former it will be necessary to determine the reason for its limitations, and in the case of the latter for its non-existence. This must be followed by good and sufficient reasons for enlarging transit in the one case and for establishing it in the other case.

The one important impression we wish to make here is the importance of the tariff as to "what is," "might be," or "must be."

DEVELOPMENT OF TRANSIT PRIVILEGES

Until 1908 the Interstate Commerce Commission took little notice of transit privileges. On June 25 of that year, the following rule was promulgated.¹ As will be seen, this was the beginning of a series of attempts to adjust satisfactorily a very difficult problem of vital importance to the whole country.

A milling, storage, or cleaning-in-transit privilege is established on the theory that the commodity may be stopped en route

¹18 I. C. C. Rep., 284.

for the enjoyment of such privilege, and the commodity or its product be forwarded under the application of the through rate from original point of shipment. It is not expected that the identity of each carload of grain, lumber, salt, etc., can or will be preserved, but in the opinion of the Commission it is unlawful to substitute at the transit point, or forward under the transit rate, tonnage or commodity that does not move into that point on that same rate.

This ruling, which prohibits the substitution of commodities in transit which impairs the integrity of the through rate, was of such a general character that practically no attention was paid to it by either shippers or carriers and consequently it failed in its purpose.

Continued complaints from the shipping public led to the following more drastic ruling by the Commission, announced June 29, 1909:²

A milling, storage, or cleaning-in-transit privilege can not be justified on any theory except that the identical commodity or its exact equivalent, or its product, is finally forwarded from the transit point under the application of the through rate from original point of shipment. It is, therefore, not permissible at transit point to forward on transit rate commodity that did not move into transit point on transit rate, or to substitute a commodity originating in one territory for the same or like commodity moving into transit point from another territory, or to make any substitution that would impair the integrity of the through rate. It is not practicable to require that the identity of each carload of grain, lumber, salt, etc., be preserved, but, in the opinion of the Commission, it is not possible to lawfully substitute at the transit point any commodity of a different kind from that which has moved into such transit point under a transit rate or rule. That is to say, oats or the products of oats may not be substituted for corn, corn or the products of corn for wheat, nor wheat or the products of wheat for barley, nor may shingles be substituted for lumber, or lumber for shingles, nor may rock salt be substituted for fine salt, nor fine salt for rock salt; likewise oak lumber may not be substituted for maple lumber, nor pine lumber for either oak or maple, nor may hard wheat, soft wheat, or spring wheat be substituted either for the other. These

²18 I. C. C. Rep., 285.

illustrations are given not as covering the entire field of possible abuses, but as indicating the view which the Commission will take of such abuses if they arise.

To the end that abuses now existing at transit points may be eliminated, carriers will be expected to conform their transit rules and their billing to the suggestions of this rule. In the event of the failure of any carrier so to do, reductions of legal rates caused by transit abuses will be regarded as voluntary concessions from legal rates.

Following the establishment of this ruling, complaints and counter-complaints arose from all sections of the country, particularly from the millers of grain, that it was too stringent and that its application practically destroyed the benefit of transit, under which so many industries had developed and upon which they were dependent for success. The appeal was made that the Commission take the matter into its own hands and establish reasonable rules and regulations which might be lawfully applied throughout the country.

This the Commission did on its own motion, holding hearings at Washington, Chicago, Boston, and other points throughout the country as to the privileges generally granted and the practices pertaining thereto. The outcome of these hearings developed the existence of a very unsatisfactory condition with respect to the transit privileges and improper practices in connection therewith, both on the part of the carriers and the shippers, throughout the entire country.

The purpose of the Commission was lofty in the extreme. It wished, by every means at its command, to conserve transit for the carriers and for commerce if it could be done in harmony with the law and in accordance with the letter and spirit of the Act to Regulate Commerce as it saw and understood the Act. But the Commission is composed of men, and it was an impossibility

for those men to realize fully what a strong hold transit had obtained in the transportation of certain commodities, particularly grain and grain products, throughout the vast producing sections of the country in the west, northwest, and southwest. In these sections the very life of the industries depended upon transit as the only equalizing factor in establishing the basis of rates which made competition possible.

PRESENT STATUS OF THE REGULATION OF TRANSIT

Confronted with this situation, complaints increased and conflicts started as the question resolved itself into one of concession or confiscation. The Interstate Commerce Commission again opened up the entire transit case, inviting representatives of the carriers and shippers from every section of the country to meet in Washington and to agree upon such a set of rules as would be uniformly practical, equitable, and legal.

No great measure of success attended this meeting. The problem was too vast. A condition that had been gradually developing for twenty-five or thirty years in conjunction with the enormous and ever-increasing commerce of the country could not be so readily changed by concourse and agreement, and this effort on the part of the Commission met with signal failure.

The conference, however, had one result in so far as it served to assure the Interstate Commerce Commission, both on behalf of the carriers and the shippers, that tariffs could be lawfully published which specifically permitted certain substitutions in transit that were reasonable and not unduly discriminatory and therefore not contrary to law. Consequently, upon continuing its investigation, the Commission came to see that the carriers were making herculean efforts to make their transit allowances

conform literally to the spirit and the letter of the law.

Having received assurances on behalf of both the carriers and the shippers that tariffs which specifically prescribed lawful substitutions could be legally published, in that they would not be unjustly discriminatory or unduly preferential and thereby no harm done, the Commission demonstrated that it was big enough, fearless enough, and honest enough in its convictions to change its mind for the common weal of the people it represented, when shown sufficient light to justify it.

So in February, 1913, the rule which it had announced in 1909 and reinforced in 1912, was rescinded and a final order issued to that effect. This last order carried with it a stipulation that the carriers could publish and enforce rules and regulations as to transit, provided such rules and regulations conform to the law, on which point the Commission says:

It is our best judgment that the policy of making orders, drawing rules, or expressing views as to what would or would not, under certain conditions, be considered a violation of law as to transit privileges, be now departed from by us, as the carriers are charged with the duty of initiating their rates, regulations, and practices under their own responsibilities and liabilities imposed upon them by the act, subject to the appropriate action on the part of the Commission or the courts in the event that the rates, regulations, or practices are found to be in violation of law.

From the foregoing, it will be noted that the responsibilities and liabilities for the establishment of transit rules, regulations, and practices rest with the carriers, and their observance in conformity with the law rests upon both the carriers and the shippers alike.

The Commission says in closing this final report in the so-called "Transit Case":

If tariffs can be filed as proposed, providing for the lawful exercise of transit practices upon grain or other commodities,

*26 I. C. C. Rep. 210.

and published rates maintained, the carriers are, of course, at liberty to proceed accordingly. If difficulties arise over the rates and practices upon questions of unjust discrimination, unreasonableness, or undue preference, or if there is involved the question of through routes and joint rates, these are matters which are peculiarly within our province and can be disposed of by following the procedure set out in the law.

Should action be necessary on our part under the provisions of the law above referred to which specifically authorize us upon proper showing to grant relief, we think that public interests demand that upon its being made to appear that such relief is needed, we institute an entirely new proceeding in the nature of an investigation upon our own motion or upon general complaint for the purpose of determining whether or not any one or more of the first three sections of the act are being violated, or whether relief under section 15 should be ordered.

Having traced the history of transit, we come now to the tariff, which is the foundation upon which we must build, operate, and defend the privileges granted by the carrier and accepted by the shipper. Both are equally amenable under the law and both equally responsible for the observance of such rules and regulations as the tariffs contain. It is, therefore, for these reasons that we say first, last, and all of the time: Refer to your tariffs. This sums up what we consider briefly and in general the history of the "whys" and "wherefores" of transit.

Since the Commission rescinded its ruling on transit, the carriers have busily engaged themselves in formulating transit rules on various commodities, which in their opinion are defensible and conform to the law, in line with the assurance given to the Commission. In order to do so, each commodity and every commercial and transportation feature with respect to its effect on transit must be carefully considered and disposed of on its merits.

POLICING OF TRANSIT

Every phase of the transit problem must be carefully analyzed as to its relation with, or its effect upon, com-

mercial and carrier competition, and these features, taken in conjunction with economic necessity, must be harmonized with the law of transportation, viz., the Act to Regulate Commerce, the rulings of the Interstate Commerce Commission, and (or) the rulings of the various state commissions, together with published tariffs.

These features being satisfactorily disposed of, we come to one of the principal factors to be considered before a transit tariff can be justified, or the privilege granted thereunder made lawfully operative. That is to determine whether the nature of the transit to be granted is such as to admit of a thorough impartial supervision, or "policing," to the end that the very purpose for which it was established is not defeated and thereby, under the guise of official sanction, a violation of the law brought about.

The importance of this phase of transit will be readily understood when it is fully realized that the through movement under which the through rate is applied is disrupted, the property taken out of the carrier's possession and its identity lost, as well as in many instances converted into an entirely different commodity. Oftentimes the rates and minimum weights on the inbound commodity, or raw material, are on a different and usually on a lower basis than on the outbound commodity, or finished product. These inbound and outbound shipments, consisting of either the same or different commodities, must be so connected by supervision and accounting as to establish the same lawful relation in tariff-rate application as if the shipment had not stopped in transit or there had been no interruption of a through movement. This is what might be termed the anomaly of transit, in that there is a complete disruption of a through movement as to the traffic without any disruption of a through movement as to the tariff, although all tariffs published nam-

ing through rates are predicated on an uninterrupted through movement from the original point of shipment to the final destination.

It is in these necessary changes in the kind and character of commodities in transit that the great opportunity for substitution which impairs the tariff rate presents itself. The temptation to take advantage of it is as great as the profit accruing by obtaining a lower rate than the traffic should properly pay and thereby obtaining an undue advantage over competitors bidding in the same market against tariff rates. Such unlawful substitution affects the shipper to a far greater extent than it does the carrier, because the latter is interested only in the commodity it transports, as described and provided for in its tariff, such as lumber, corn, etc., while the shipper is vitally interested in the character or grade of each and every one of these commodities with which he finds himself compelled to compete in order to reach a certain market.

SUBSTITUTION OF COMMODITIES

The term "lumber" may be sufficient for the carrier's purpose when it is willing to transport many or any kinds of lumber at the same rate, but the lumber merchant, who is bidding to reach a certain market on a car of white pine, knowing that that particular grade of lumber comes from a territory which should pay, say, a 30-cent rate, is not comforted when he finds out that he lost the order because his competitor used billing for an inbound shipment of tamarack against the outbound shipment of white pine, by which method of substitution a rate of 20 cents was obtained.

Similar substitutions are possible with all commodities and are prohibited as unlawful, because they result in undue and unreasonable discrimination between shippers

and localities. In granting transit privileges, the carriers are obliged to exercise their best efforts to eliminate such practices, and that is generally done through the medium of transit inspection bureaus, whose duty it is to police the entire transaction of a transit house (a grain elevator or other industry operating under transit). While it may be provided that commodities may lose their identity, may be mixed, milled, or manufactured, the application and cancellation of representative billing for all tonnage disposed of, whether for through shipment or local loss due to milling, manufacturing, etc., must be so arranged as to result in the assessment of the same charges as should, under the tariff, be paid had the same tonnage not stopped for transit privileges (in addition, of course, to any reasonable transit charge provided for in the tariffs).

The proviso is used because if we were to take a single shipment or a certain number of shipments in themselves as a basis for determining whether unlawful substitution had taken place, it would present a false premise in the value of granting the privilege. Transit in such cases would more often result in a penalty rather than a privilege.

The fact that transit admits of loss of identity, mixing, milling, manufacturing, etc., is tantamount to permitting certain substitution which can properly come within the law. This is because it does not result in a departure from tariff rates and requirements to the extent that it is unduly discriminatory. Consequently, it is not contrary to law or what a tariff may lawfully permit.

All such matters come under the head of proper policing, and when the traffic is such that it can be fairly determined that this can be accomplished, transit may be inaugurated.

After this is satisfactorily disposed of, many of the problems referred to as being characteristic of different commodities, different transportation situations, and different geographical locations, must be encountered, considered, and disposed of as they present themselves, on the individual merits of each and every case and in line with the law and precedents established thereon.

CONCLUSION

It is beyond the scope of this treatise to cover the thousand and one angles of the general subject of transit so as to give a comprehensive knowledge of all the features that enter into the handling of all the commodities under such privileges. Such a procedure would necessitate the writing of a fairly good-sized volume relating to each and every commodity and several volumes on the problems that come up from day to day that affect the proper handling of traffic under transit rules and regulations.

In closing, let us suggest that as transit privileges cover such a wide field, it is always worth while to make the most careful investigation to ascertain whether or not such privileges are applicable on the particular traffic in question and, if not, whether or not sufficient reason exists to have such privileges established.

TEST QUESTIONS

These questions are for the student to use in testing his knowledge of the assignment. The answers are not to be sent to the University.

1. What does the term "transit" mean when used in connection with the transportation of freight?
2. What is the object of transit privileges?
3. Describe very briefly how transit privileges may be applied to wheat.
4. What does the author say as to the necessity of the study of tariffs in connection with transit privileges?
5. Show very briefly the development of transit privileges.
6. On what basis do carriers now apply transit privileges?
7. Why is it difficult to check properly the application of transit privileges?
8. Show how one commodity may properly be substituted for another, under transit privileges.
9. Give some examples of improper substitution of commodities in connection with transit privileges.
10. Why is it important to investigate the subject of transit privileges?
11. What is your opinion as to the benefits derived from the application of transit privileges on such commodities as wheat?

